

**MINUTES OF A MEETING OF  
THE LEMON GROVE CITY COUNCIL**

**The City Council also sits as the Lemon Grove Housing Authority, Lemon Grove Sanitation District Board, Lemon Grove Roadway Lighting District Board, and Lemon Grove Successor Agency  
May 19, 2015**

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**Call to Order**

Members present: Mary Sessom, George Gastil, Jerry Jones, Jennifer Mendoza, and Racquel Vasquez.  
Members absent: None.

City Staff present: Graham Mitchell, City Manager; Carol Dick, Development Services Director; Susan Garcia, City Clerk; Mike James, Public Works Director; Lt. May, Sheriff's Department; Rick Sitta, Fire Chief; Cathleen Till, Finance Director; and Michael Wapner, City Attorney.

**Presentation**

Mayor Sessom presented the National Public Works Week proclamation to Mike James, Vivian Macias, Tom Bell, and Dave Huey.

**Public Comment**

John L. Wood expressed appreciation to the Public Works Department and commented on speed enforcement signs.

Helen Halmay, Lemon Grove Soroptimist, reported that they received the Desert Coast Region 2015 Communications Award for their website and social media outreach.

**1. Consent Calendar**

**A. Approval of City Council Minutes**

May 5, 2015 Regular Meeting

**B. Ratification of Payment Demands**

**C. Waive Full Text Reading of All Ordinances and Resolutions on the Agenda**

**D. Levy and Collection of Assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2015-2016**

**E. On-Call Restoration Services Agreements**

**Action: Motion by Councilmember Jones, seconded by Councilmember Gastil, to approve the Consent Calendar passed, by the following vote:**

**Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez**

**Resolution No. 2015 – 3333:** Resolution of the City Council of the City of Lemon Grove, California Approving the Levy and Collection of Assessments with the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2015-2016

**Resolution No. 2015 – 3334:** Resolution of the City Council of the City of Lemon Grove, California Approving Agreements with Restoration Management Company and 911 Restoration of San Diego for On-Call Restoration Services in the City of Lemon Grove

**2. Draft Fiscal Year 2015-2016 Budgets for the City of Lemon Grove, Roadway Lighting District, Sanitation District, and Successor Agency**

Cathy Till explained that this report is a follow-up analysis regarding questions that the City Council posed at its May 5<sup>th</sup> meeting, as well as to present draft budgets for the General Fund, the General Reserve Fund, the other funds managed by the City, the Roadway Lighting District, the Sanitation District, and the Successor Agency for Fiscal Year 2015-2016 (FY 2015-16).

The May 5<sup>th</sup> budget staff report indicated General Fund surpluses of approximately \$737,200 in FY 2014-15 and approximately \$526,500 in FY 2015-16. Since that time, however, the latest Heartland JPA (JPA) reconciliation revealed that the City will owe approximately \$140,000 for its portion of the JPA shared costs in FY 2014-15 due to mid-year staffing changes. Staff presents both funds combined to reflect a full understanding of the surplus available for allocation. The table below shows the combined surplus of both funds for the current fiscal year and for the next fiscal year, along with combined fund balances:

	<b>FY 2014-15</b>	<b>FY 2015-16</b>
<b>Beginning Combined Balance</b>	<b>\$3,430,000</b>	<b>\$3,517,600</b>
General Fund	617,200	563,300
General Reserve Fund	<u>(529,600)</u>	<u>(260,300)</u>
<i>Combined Surplus</i>	<i>87,600</i>	<i>300,000</i>
<b>Ending Combined Balance</b>	<b>\$3,517,600</b>	<b>\$3,817,600</b>

Based on the current draft budget plan, the City's combined general reserves increase by approximately \$387,600 between July 1, 2014 and June 30, 2016. The negative surplus in the General Reserve Fund in FY 2014-15 is due mainly to the deferred maintenance projects (\$345,000) and payment for a new fire engine and equipment (\$114,000). In FY 2015-16, the negative surplus in the General Reserve is due mainly to setting aside \$150,000 for the General Plan Update project, \$65,000 for the installation of the exhaust system at the Fire Station, and \$17,500 for an executive search consulting firm. As a reminder, approximately \$200,000 of the General Fund surplus in FY 2015-16 is one-time funds resulting from a "true-up" from the State.

At the May 5<sup>th</sup> meeting, the City Council asked staff to present data related to law enforcement activity. Specifically, staff was asked to provide comparisons of law enforcement per capita ratios, calls for service at Citronica One and the Main Street Promenade, how calls are prioritized by the Sheriff's Department, data on response times, and historic law enforcement staffing levels in the City.

Although Lemon Grove has the lowest number of deputies per capita amongst the contract cities, the City's law enforcement complement is not dissimilar to five of the cities. Also, several of the comparison cities have deputies assigned to schools and paid for through other sources.

The City Council also asked about the number of calls for service to Citronica One and to the Main Street Promenade. In 2014, the Sheriff's Department was called to Citronica One a total of 13 times—about once per month. Interesting to note, that as Citronica One's management became more proactive with several problematic tenants, the calls for service have trended downward in 2015.

Staff compared calls for service with other similar sized apartment complexes in the City. Using call data from 19 other complexes, averaging 63 units (similar to Citronica One's 56 units), staff determined that there were 0.2 made per unit in 2014. Citronica One experienced 0.25 calls per unit. Using 2015 data in which Citronica One was able to reduce calls, the call ratio will be well below the average for similar sized complexes in Lemon Grove.

The Main Street Promenade experienced very high call volumes—a total of 133 calls in 2014 or 2.5 calls per week to the site. Calls to this site are heavily influenced by the volume of transit users. Staff also looked at 1<sup>st</sup> quarter data in 2014 and 2015 to identify any trends. Between 2014 and 2015, the calls for service at the Main Street Promenade dropped by 18 percent.

Approximately \$200,000 of the anticipated surplus in FY 2015-16 is derived from one-time revenue. Staff recommends that this amount be allocated to paying down the City's CalPERS Unfunded Actuarial Liability. A lump sum payment of \$200,000 next fiscal year will generate an approximate savings of \$650,000 over the next twenty years, given current investment and actuarial assumptions. If the City Council were to initiate this payment, staff recommends establishing a separate fund to manage the collection of funds and distributions of payments to CalPERS.

*Gas Tax Fund (2)* – in FY 2015-16, this fund has budgeted \$825,300 for street operations and maintenance. This amount is \$50,500 more than the anticipated FY 2014-15 budget, due partially to the the City retaining \$74,500 in unspent funds from FY 2014-15. However FY 2015-16 revenue is projected to be \$98,400 less than FY 2014-15 due to lower gas prices, an increase in fuel efficient automobiles, as well as a decrease in the excise tax rate.

*Street Construction Reserve Fund (3)* – In FY 2015-16, the budget reflects \$100,000 to be spent on the Lemon Grove Avenue Realignment Project.

*Park Land Dedication Ordinance Fund (5)* – these restricted funds may only be used for capital improvement projects associated with City parks. In FY 2015-16, staff recommends that \$64,200 be expended on continuing park improvements, which may include expanding the skate spot, replacing playground equipment, purchasing park furnishings, dog park play structures, exercise equipment, and refurbishing the civic center fountain.

*Grants Fund (8)* – this fund manages various grants totaling \$479,700, including \$225,000 to be spent on Safe Routes to School projects on Palm Street near the former Palm Middle School and Golden Avenue near Golden Avenue Elementary School. In addition, if SANDAG awards the City any or all of the grants that were applied for in April 2015, the revenue and expenditures will be affected.

*CDBG Fund (9)* – this fund will manage this year's Community Development Block Grant allocation in the amount of \$169,000 for street and sidewalk rehabilitation.

*TDA Fund (10)* – these funds must be expended on maintaining and/or improving public transit facilities. The fund has approximately \$130,000 in unspent funds saved from prior years, which must be expended on transit related improvements (bus shelter/pad upgrades). In addition, there is \$237,400 available for the Lemon Grove Avenue Realignment Project, which is projected to be expended in FY 2015-16.

*TransNet (14)* – In FY 2014-15 the budget reflects total expenditures of \$1,911,000. The expenditures are as follows: \$909,000 on the Lemon Grove Avenue Realignment Project, \$139,200 on traffic related projects, \$201,700 on storm drain maintenance and improvements, \$559,700 on traffic and pavement projects, and \$101,300 on administrative expenses.

*Integrated Waste Reduction (21)* – The purpose of this fund is to manage household hazardous waste. This budget projects revenue of \$22,300 and expenditures of \$42,300. The fund balance is projected to be \$46,700 at the end of FY 2015-16.

*Wildflower Assessment District (22)* – the budget reflects \$9,100 in revenue and \$7,700 in expenditures. The ending fund balance is projected to be \$6,800.

*Serious Traffic Offender Program (23)* – the budget reflects spending \$10,000 on traffic-related expenditures (supplies and equipment).

*Self-Insured Workers Compensation Reserve (25)* – the fund projects interest revenue of \$1,400, a transfer to the General Reserve Fund of \$25,000, no expenditures, and an ending fund balance of \$501,600. In addition, the fund has an accrued claims liability of approximately \$175,900, which represents the potential future cost of current claims.

*Storm Water Program Fund (26)* – in FY 2015-16, the budget reflects a total expenditure of \$217,000. This includes \$37,900 for staff costs, and \$179,100 for permitting, monitoring and reporting functions.

*Regional Transportation Congestion Improvement Program (27)* – this fund collects impact fees as required by the Regional Transportation Congestion Program. The budget projects spending \$34,000 on the Lemon Grove Avenue Realignment Project in FY 2015-16.

*Self-Insured Liability Reserve (29)* – the projected fund balance is \$449,800. This fund receives a dividend from the City's insurance pool, which is projected to be \$20,000. Offsetting that revenue are costs of \$20,000.

*PEG Fund (30)* – a Public Education and Governmental (PEG) fund was established to collect designated monies from cable franchisees that operate within the City. In FY 2015-16, the budget reflects \$56,400 in revenue. The budget projects \$36,000 to be spent on connection fees, \$3,000 on professional fees, and \$50,000 on one-time capital improvements to the Community Center audio infrastructure.

*Housing Fund (31)* – no activity is expected.

*Capital Reserve Fund* – staff recommends creating this new fund to allocate funds for future capital improvements and to account for multi-year projects. For example in FY 2014-15, the City Council allocated reserve funds for re-roofing City Hall. This project was not completed. Rather than re-budgeting the project, staff recommends transferring the General Reserve funds to this new fund to pay for the project.

*Community Facilities District (33)* – this fund collects assessments from properties adjacent to the Main Street Promenade. Expenditures in this fund are limited to contractual services, repair and maintenance, and utilities at the Main Street Promenade. The budget reflects total revenues of \$14,600 and expenditures of \$17,800. As the adjacent properties develop, the assessment revenue will increase, so the deficit will be eliminated.

The Lemon Grove Roadway Lighting District manages two funds for two separate lighting activities. Fund 11, the General Benefit Fund, provides funding for street light benefits throughout the community. Fund 12, the Local Benefit Assessment Fund, provides for enhanced lighting benefits at mid-blocks. Revenues in the two funds are expected to reach \$245,500 in FY 2015-16. The funds pay for repair, maintenance, and energy costs of street lights. The total expenditure is anticipated to be \$319,700 in FY 2015-16.

The Local Benefit Assessment District (Fund 12) has entered into a 40-month utility cost repayment agreement with San Diego Gas & Electric. The repayment plan will be completed in April 2017. The revenue generated by Fund 12 (\$87,100) is not sufficient to support its operating costs (\$195,800) over the long term. Staff recommends that a future agenda item address solutions to this issue. The projected combined fund balance in these two funds is projected to be \$367,300 (\$333,300 in Fund 11, \$34,000 in Fund 12).

The Lemon Grove Sanitation District manages two funds—an Operations Fund (15) and a Reserve Fund (16). In FY 2015-16, the District anticipates generating \$6.0 million in total revenue. Offsetting this revenue, the District anticipates expending \$5.2 million for operating costs and \$1.5 million for capital improvement projects. The revenue and expenditure plan will leave a balance of \$14.2 million in the District's reserves at the end of the fiscal year.

A portion of the City's CalPERS Unfunded Actuarial Liability (UAL) is attributable to the Sanitation District. The PERSable wages of the Sanitation District represent 33 percent of the City's total PERSable wages. This equates to the District's share of the UAL being approximately \$1.8. During the last auditor presentation, he indicated that enterprise districts, beginning in FY 2014-15, are required to report unfunded liabilities as an expenditure in the financial statement (this requirement is from GASB 68). The draft Sanitation District budget currently shows this expenditure as a line item in Fund 15 (operational budget). Fund 15 also includes an expenditure of \$4,000 for actuarial consulting services to determine the most cost effective and prudent strategy for paying off the District's liability. Staff recommends that a future Sanitation District Board agenda item be dedicated to this discussion.

In FY 2015-16, the Successor Agency anticipates receiving approximately \$3.1 million in Redevelopment Property Tax Trust Fund (RPTTF) proceeds from the County. The FY 2015-16 budget reflects bond interest payments totaling \$1.1 million, bond principal payments totalling \$660,000, various administrative costs totaling \$250,000, and a payment of \$694,400 to PERS to pay down the Successor Agency's share of the unfunded liability. Although it is unlikely the Successor Agency will receive the entire amount, due to the limited amount of RPTTF available, staff is including all of the items as placeholders, since all of them have been approved by the DOF. Bond payments will always be paid first.

In addition, staff anticipates spending \$500,000 on the Lemon Grove Avenue Realignment Project, which is funded with bond proceeds. Once the Lemon Grove Realignment Project is complete, the Successor Agency's primary activity will be making bond payments. This will result in minimal administrative reimbursements to the City. In addition, if approved, the Successor Agency will make loan repayments to the City to the extent funds are available—it is unknown when those payment will occur.

#### Public Speaker(s)

Brenda Hammond commented on the City's law enforcement, street lighting, and the crosswalk in downtown.

After the discussion, direction was given to staff to prepare a final budget for City Council consideration at the June 2<sup>nd</sup> meeting.

### **3. Ordinance No. 428 Amending Chapters 8.48 and 18.08 of the Lemon Grove Municipal Code with Reference to the Lemon Grove Best Management Practices (BMP) Manual**

On May 5, 2015, the City Council introduced Ordinance No. 428. The ordinance amends Sections of Chapter 8.48 (Stormwater Management and Discharge Control) and Chapter 18.08 (Excavation and Grading) of the Lemon Grove Municipal Code with reference to the Lemon Grove Best Management Practices (BMP) Manual. The amendments are required for compliance with the 2013 Municipal Stormwater Permit and are consistent with updates being made by other cities in the County. A full and detailed analysis was provided to the City Council in a staff report dated May 5, 2015, entitled Ordinance No. 428 Amending Chapters 18.08 and 8.48 of the Lemon Grove Municipal Code with Reference to the Lemon Grove Best Management Practices (BMP) Manual.

Public Speaker(s)

There were no requests from the public to speak.

**Action: Motion by Councilmember Jones, seconded by Councilmember Gastil, to adopt Ordinance No. 428 passed, by the following vote:**

**Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez**

**Ordinance No. 428:** An Ordinance of the City Council of the City of Lemon Grove, California Amending Chapter 8.48 (Stormwater Management and Discharge Control) and Chapter 18.08 (Excavation and Grading) of the Lemon Grove Municipal Code with Reference to the Lemon Grove Best Management Practices (BMP) Manual

**4. Ordinance No. 427 Approving Zoning Amendment ZA150-0001 Amending the Zoning District from General Commercial (GC) to Residential Medium/High (RMH) for properties on the South Side of Broadway between 8305 Broadway and 8373 Broadway**

On May 5, 2015, the City Council introduced Ordinance No. 427 amending the Zoning District from General Commercial (GC) to Residential Medium/High (RMH) for the properties located on the south side of Broadway between 8305 Broadway and 8373 Broadway. The City Council also adopted a resolution approving General Plan Amendment GPA150-0001 which amended the General Plan Land Use Designation from Transportation and Retail Commercial to Medium/High Residential Density.

Public Speaker(s)

Theresa Bailey and Rebecca McElyea commented on a vacant parcel near their residences.

Andrea Riklin, Sandra Bush, and Winifred Green urged the City Council to adopt the ordinance amending the zoning in their neighborhood.

**Action: Motion by Councilmember Gastil, seconded by Councilmember Vasquez, to adopt Ordinance No. 427 passed, by the following vote:**

**Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez**

**Ordinance No. 427:** An Ordinance of the City Council of the City of Lemon Grove, California Approving Zoning Amendment ZA150-0001 Amending the Zoning District from General Commercial (GC) to Residential Medium/High (RHM)

**City Council Oral Comments and Reports on Meetings Attended at the Expense of the City. (GC 53232.3 (d))**

Councilmember Jones attended the East County Mayors Lunch, SANDAG and MTS meetings, the Kiwanis Safety Officers Appreciation Dinner, Lemon Grove's Relay for Life, and the Soroptimist Annual Awards dinner.

Councilmember Mendoza attended Lemon Grove's Relay for Life and the Soroptimist Annual Awards dinner.

Councilmember Gastil attended a LOSSAN meeting.

Mayor Pro Tem Vasquez attended a LAFCO meeting, Lemon Grove's Relay for Life and the Soroptimist Annual Awards dinner.

Mayor Sessom attended Lemon Grove's Relay for Life.

### **Closed Session**

Pursuant to Government Code Section 54957.6: Conference with Labor Negotiators  
Agency Designated Representative: Graham Mitchell, City Manager  
Employee Organization: Local 2728 of the International Association of Firefighters

Pursuant to Government Code Section 54957: Public Employee Appointment  
Title: City Manager

Closed Session Report: No reportable action was taken.

### **Adjournment**

There being no further business to come before the City Council, Housing Authority, Sanitation District Board, Lemon Grove Roadway Lighting District Board, and the Lemon Grove Successor Agency the meeting was adjourned at 7:45 p.m.

*Susan Garcia*

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Susan Garcia, City Clerk